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All stated cattle prices are based on the weekly Canfax Market Outlook and Summary.
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Cattle Market Update

For the Week Ending March 7, 2014

All prices are quoted in Canadian dollars per hundredweight (\$/cwt) unless otherwise stated.

Feeder Cattle

Steers

	Range	Average	Change from last week
300-400	196-227	206.50	+4.71
400-500	200-226	210.57	+10.65
500-600	190-218	204.17	+4.94
600-700	177-199	187.79	+1.23
700-800	167-181	174.00	+2.54
800-900	154-169	163.50	+3.63
900+	145-159	153.70	-0.93

Heifers

	Range	Average	Change from last week
300-400	177-200	186.40	+2.65
400-500	173-198	188.64	+4.22
500-600	169-192	181.67	+3.49
600-700	162-182	170.60	+4.59
700-800	148-166	158.58	+2.80
800+	135-156	149.58	+2.47

Source: Canfax.

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Thursday of the current week.

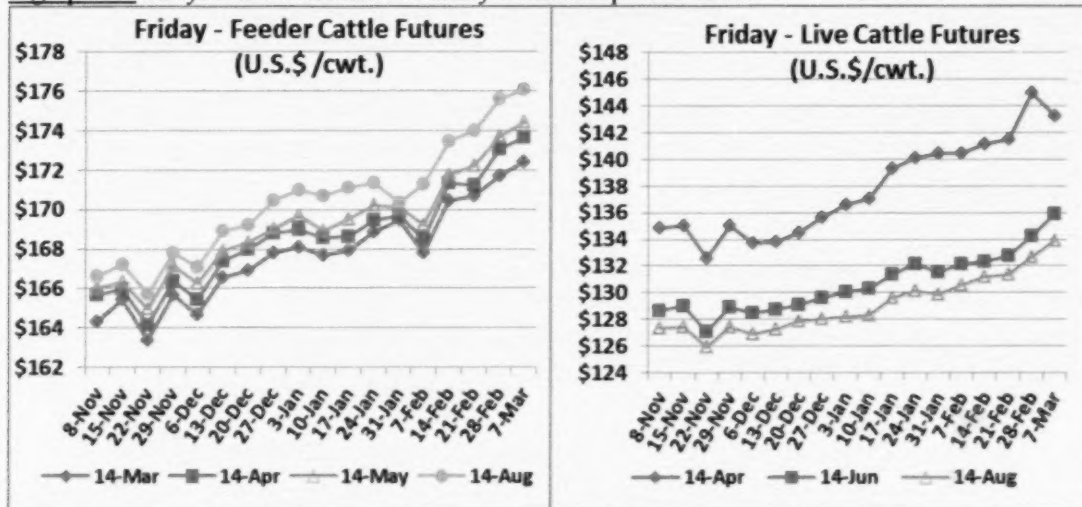
Canfax reported that a total of 15,994 head of cattle were sold in Saskatchewan this week, up from 15,548 head marketed the previous week.

Saskatchewan feeder steer prices were overall higher over the week with the only loss in the 900+lb. weight category. The price ranges in most of the weight categories noticeably narrowed from the previous week. Feeder steer prices ranged from \$0.93 per cwt lower to \$10.65 per cwt higher, from the previous week. The biggest gains were in the light weight categories with the 400-500 lb. weight category increasing the most at \$10.65 per cwt. New record high prices for Saskatchewan feeder steers were set in the weight categories between 400 and 900 lb.

Feeder heifer prices were higher over the week. Feeder heifer prices increased between \$2.47 per cwt and \$4.59 per cwt, from the previous week. There were no categories with losses over the week. The 600-700 lb. weight category had the largest gain over the week increasing \$4.59 per cwt. With Saskatchewan feeder heifer prices continuing to move higher over the week there were new record high prices set for all feeder heifer weight categories.

The Saskatchewan 750 lb. feeder steer basis compared to the March 6, 2014 U.S. feeder cattle index at US\$172.40 per cwt was calculated at -\$17.19 per cwt (US\$172.40/0.9017 - \$174.00), a basis narrowing of \$0.75 per cwt from -\$17.94 per cwt on February 27, 2014.

Feeder cattle futures prices continued to edge higher over the week. The March to August 2014 contracts increased between US\$0.500 per cwt and US\$0.700 per cwt, week-over-week. The March contract settled the week at US\$172.375 per cwt while the August contract settled the week at US\$176.075 per cwt. The March to August feeder cattle contracts reached new record high prices early in the week before many contracts pulled back.



Source: CME

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Live cattle futures prices were mixed over the week. The April to August 2014 contracts ranged from US\$1.725 per cwt lower to US\$1.625 per cwt higher. The nearby April contract decreased by US\$1.725 per cwt to close the week at US\$143.250 per cwt. The August contract increased US\$1.225 per cwt to close the week at US\$133.850 per cwt. The April, June, and August 2014 live cattle future contracts touched new record high prices early in the week before sliding back.

Iowa cash corn prices and the nearby corn futures were significantly higher over the week. The Iowa cash price on Friday was US\$4.60 per bushel, up 17 cents from US\$4.43 per bushel the previous Friday. The March corn futures contract was up almost 24 cents higher to settle Friday at US\$4.81 per bushel while the May contract was up almost 26 cents higher to settle at US\$4.89 per bushel.

Fed and Non-fed Cattle

	March 7	February 28	Change
Cows (Alberta)			
D1,2 Live	94.36	89.69	+4.67
D3 Live	84.50	79.88	+4.62
Rail	188-193	175-180	+13.00

Source: Canfax.

Prices for liveweight, non-fed cattle in Alberta were noticeably higher over the week reaching new record highs with D1,2 slaughter cows increasing \$4.67 per cwt to average \$94.36 per cwt while the price of D3 slaughter cows increased \$4.62 per cwt to average \$84.50 per cwt.

Fed cattle prices in Western Canada were reported at \$136.73 per cwt. Western Canadian prices were not reported the previous week as the weekly sale volumes were too light to establish a price trend. Fed steers in Alberta three weeks ago (Feb. 14) were reported to average \$135.09 per cwt. Fed steer prices in Ontario over the week were reported \$1.35 per cwt lower from the previous week to average \$147.38 per cwt.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at a US\$149.00 per cwt, down US\$1.61 per cwt from US\$150.61 per cwt the previous week, but up 16.7 per cent from US\$127.72 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US\$238.08 per cwt, down US\$1.90 per cwt from US\$239.98 per cwt the previous week, but up 17.2 per cent from US\$203.15 per cwt the same week a year ago.

Choice beef cutout prices (600-900 lb.) averaged US\$233.40 per cwt, up US\$13.80 per cwt from US\$219.60 per cwt the previous week, and up 19.7 per cent from US\$195.02 per cwt the same week a year ago. Beef production for the week averaged 438.6 million lb., down 4.2 per cent from 458.0 million lb. the previous week, and down 7.5 per cent from 474.4 million lb. the same week a year ago.

United States beef exports year-over-year continued to improve at the start of 2014. U.S. beef plus beef variety exports in January 2014 were 97.8 million metric tons, up 12.9 per cent from 86.6 million metric tons from January 2013, but down 4.3 per cent from December 2013. By dollar value, January 2014 exports were \$514.5 million dollars, up 15.9 per cent from \$443.8 million dollars in January 2013, but down 6.6 per cent from December 2013. U.S. exports for January 2014, on a year-over-year basis, have had beef export increases by volume to Hong Kong, Japan and Mexico, but export decreases to Canada and Korea.

Statistics Canada released the Canadian cattle inventory numbers this week. Total Canadian cattle as of January 1, 2014 were estimated at 12.215 million head, down 0.7 per cent from 12.305 million head on January 1, 2013. Total Canadian beef cow numbers as of January 1, 2014 were estimated at 3.905 million head, down 0.8 per cent from 3.935 million head as of January 1, 2013. Higher feed grain costs a year ago and concerns around Country of Origin Labeling have likely kept the industry from expanding in 2013.

In Saskatchewan, total cattle inventory numbers as of January 1, 2014 were estimated at 2,415,000 head, down 3.0 per cent from 2,490,000 head as of January 1, 2013. Total beef cow numbers in Saskatchewan as of January 1, 2014 were estimated at 1,163,700 head, a slight increase from 1,161,500 head as of January 1, 2013. The number of beef replacement heifers on January 1, 2014 was 159,500 head, down 0.9 per cent from 161,000 on January 1, 2013. The strong feeder cattle prices over the last six months with current record high feeder cattle prices should help provide some positive momentum for the industry in 2014.

Friday Price Information

Product	This Week (March 7)	Week of: (February 28)
Canadian Dollar (closing rate US\$)	.9017	.9030
U.S. Cash Cattle		
Thurs. Feeder Cattle (FC) Index (US\$ per cwt)	172.40	171.03
Seven-day Weighted Average FC Index Wt. (lb.)	765	762
Live Fed 5-area Steer Price (US\$ per cwt)	149.13	150.61
Feed Grains		
Barley Lethbridge (\$/tonne)	179.00	176.00
(US\$ per bu.)	3.90	3.83
Corn Iowa State Average (CDN\$/tonne)*	200.83	193.13
(US\$ per bu.)	4.60	4.43
Omaha, NE (CDN\$/tonne)*	204.76	191.39
(US\$ per bu.)	4.69	4.39
Futures		
March Corn (US\$ per bu.)	4.81	4.57½
May Corn (US\$ per bu.)	4.89	4.63½
April Live Cattle (US\$ per cwt)	143.250	144.975
June Live Cattle (US\$ per cwt)	135.875	134.200
March Feeder Cattle (US\$ per cwt)	172.375	171.700
May Feeder Cattle (US\$ per cwt)	174.400	173.700

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship, Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News

* conversion to CDN\$ is based on Friday's CDN\$ closing rate

Note: Cow-calf producers in Saskatchewan are reminded to check with their local market operators regarding current market conditions for non-fed cattle. Producers are also reminded that old, thin cows have a very low market value. The non-fed prices quoted each week do not represent the market price for these animals. As an alternative to transporting these animals, you may want to check with your local veterinarian or the nearest Canadian Food Inspection Agency (CFIA) office to see if these animals are eligible for testing as part of the bovine spongiform encephalopathy (BSE) surveillance program. Producers receive \$75 from the CFIA for each eligible sample submitted. The goal of this program is to prove that the BSE control measures implemented in Canada are working.

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